

THE DEPARTMENT OF LIVESTOCK

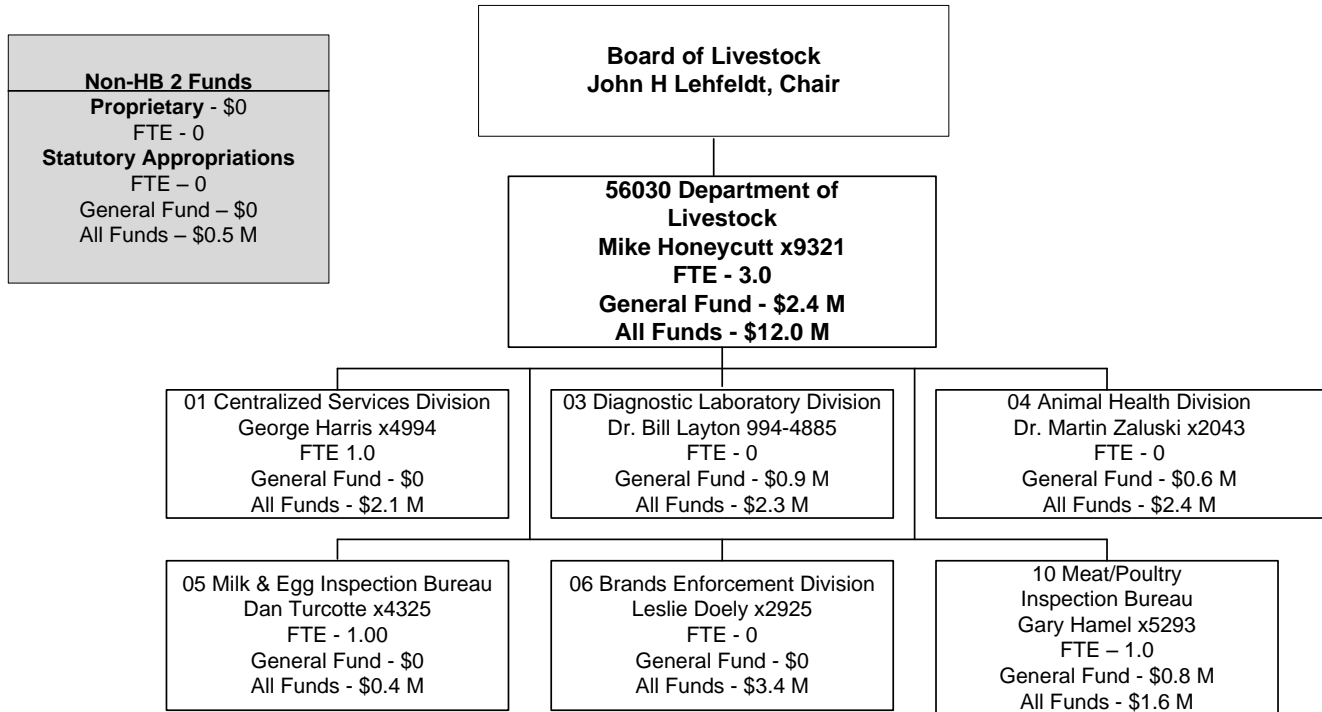
An Agency Profile Prepared by the
Legislative Fiscal Division

November, 2016

INTRODUCTION

The Department of Livestock (Livestock) regulates domesticated animals. The mission includes protecting the livestock industry; controlling and eradicating animal diseases; and inspecting meat, milk, and eggs. The Board of Livestock serves as the statutory department head and consists of seven appointed members serving six year terms.

Below is the organizational chart of the branch, including full-time equivalent (FTE) numbers and the HB 2 base general fund appropriations and the total of all funds. Unless otherwise noted, all phone extensions are preceded by (406) 444.



NOTE: The FTE numbers state ongoing positions inside of the department. Because the legislature placed the majority of the department budget under OTO designation, the FTE numbers do not match the spending numbers.

HOW SERVICES ARE PROVIDED

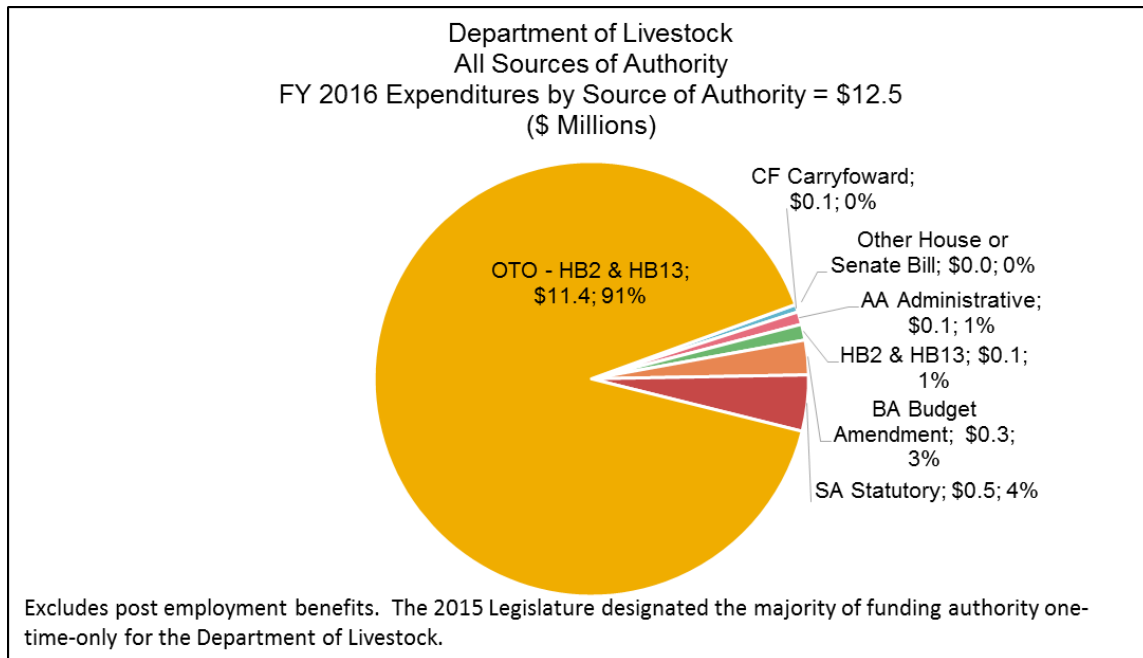
Six divisions form the Department of Livestock and perform the following functions:

- The Centralized Services Division provides managerial and administrative support services to the entire department
- The Diagnostic Laboratory Division supplies veterinary laboratory testing services to producers, veterinarians, animal owners, and other government entities
- The Animal Health Division seeks to prevent, diagnose, control and eradicate animal disease that threaten public health and the agricultural industry
- Milk and Egg Division licenses, samples, tests, and inspects eggs, milk, and milk products sold or manufactured in Montana
- Brands Enforcement Division records, inspects, and tracks livestock ownership and enforces livestock ownership laws
- Meat and Poultry Inspection Division samples, test, and inspects meat and poultry

State law has attached two boards to Livestock for administrative purposes with Livestock supplying personnel:

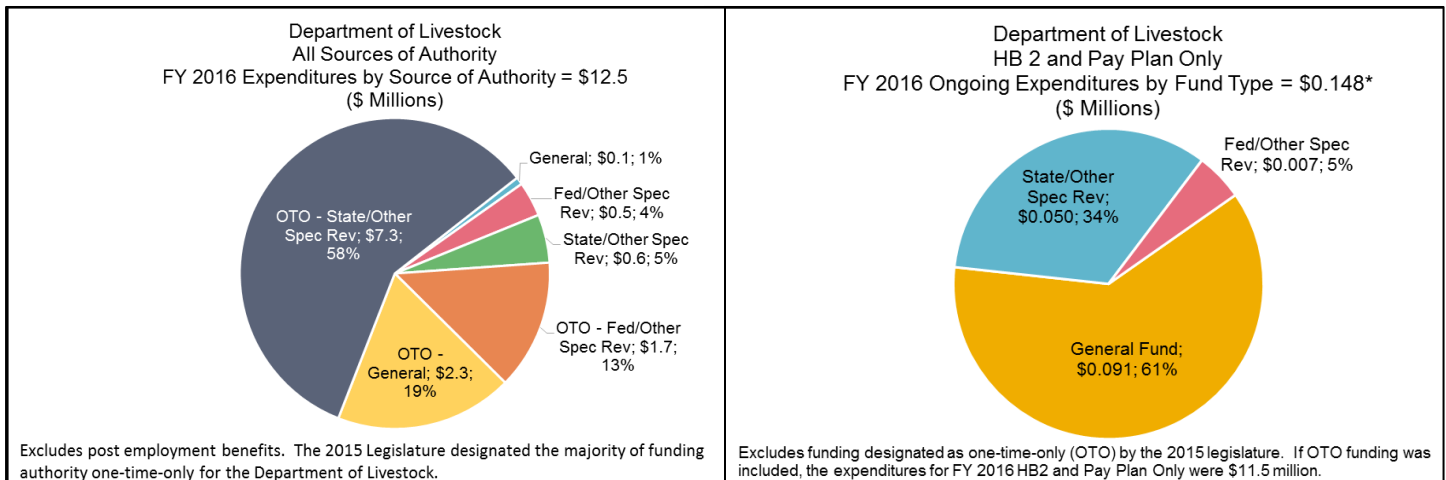
- The Livestock Loss Board administers programs to minimize the livestock lost to gray wolves and grizzly bears
- The Board of Milk Control Board regulates the milk industry in the state

SOURCES OF SPENDING AUTHORITY



The above chart shows the sources of authority for Livestock that were expended in FY 2016.

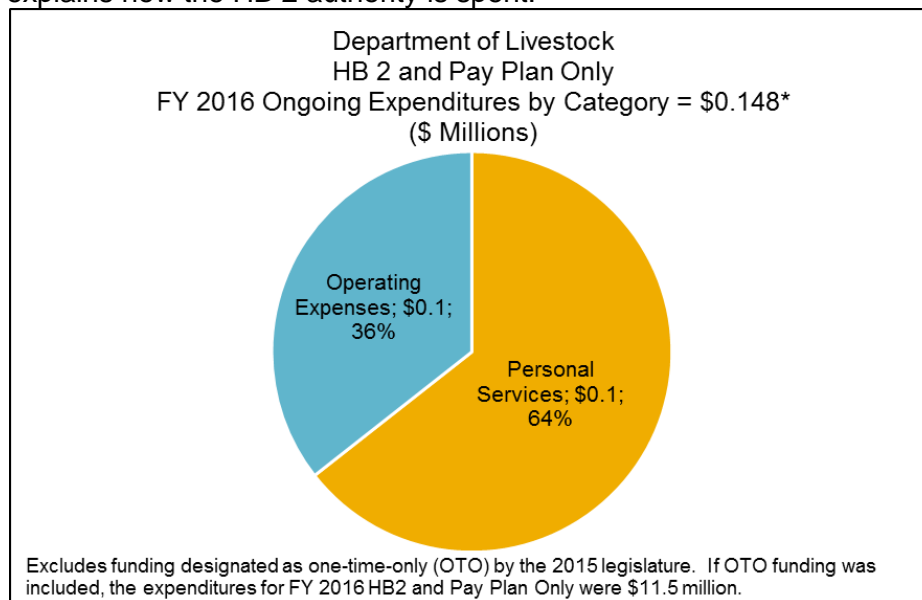
FUNDING



The chart on the left shows the Livestock's sources of its total funding authority. The chart on the right shows Livestock's HB2 and pay plan funding authority by fund type.

EXPENDITURES

The next chart explains how the HB 2 authority is spent.



HOW THE 2017 LEGISLATURE CAN EFFECT CHANGE

In order to change expenditure levels and/or Department of Livestock activity, the legislature must address one or more of the following basic elements that drive costs.

Inspection regulations

Livestock inspects a number of agricultural products. To influence expenditure levels or agency activities in this area, the legislature could:

- Determine the products to be inspected
- Establish guidelines for the frequency and sampling size

Brands Enforcement

Livestock regulates animal ownership through brand registration and inspection. To influence expenditure levels or agency activities in this area, the legislature could:

- Determine the actions that trigger an inspection
- Set the time between brand renewals
- Define who can inspect brands
- Determine the level of brand investigation coverage

Animal Health and the Veterinary Diagnostic Lab

Livestock works to prevent and control the spread of animal disease. To influence expenditure levels or agency activities in this area, the legislature could change:

- the inspection and surveillance level for diseases
- the cost per test at the diagnostic lab
- the tests conducted at the diagnostic lab

Staffing Levels

Common to all agencies, any decisions that change FTE will have a direct and immediate impact on the ability to deliver services/functions by Livestock. Personal service costs will be a primary driver of total Livestock costs. Factors impact personal service costs include:

- Professional/technical/educational requirements of FTE job descriptions

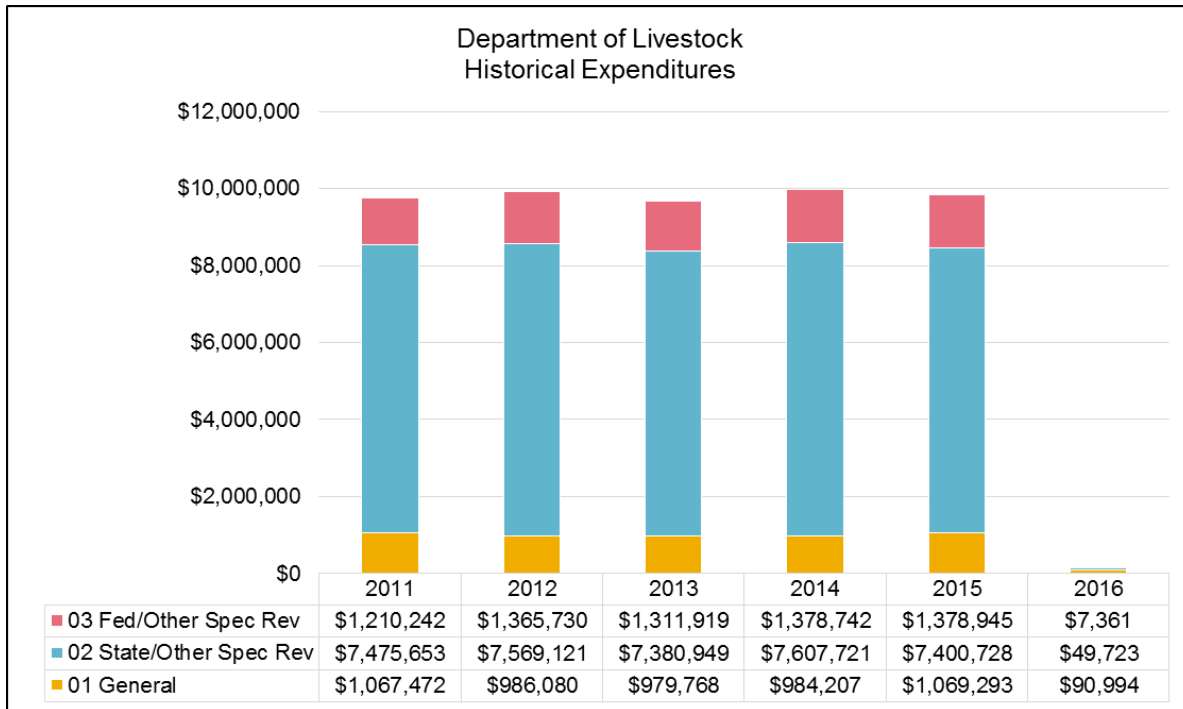
- Cost of benefits
- Years of service or longevity

Major Cost Drivers

Livestock has a large percentage of its budget devoted to fixed costs, including personal services. To impact these costs, the legislature would need to change statute.

FUNDING/EXPENDITURE HISTORY, AUTHORITY USED TO ESTABLISH THE BASE BUDGET

The following chart shows the historical change in the Livestock's base budget authority.



MAJOR LEGISLATIVE CHANGES IN THE LAST 10 YEARS

2015 Session

- HB 439 required the Board of Livestock to record their meetings.
- HB 629 codified the position of Executive Officer as serving at the pleasure of the Board of Livestock.
- SB 62 changed the timing of the per capita fee collection from November to May of each year.
- HB 105 allowed Livestock to set fees for analytic lab services.

2011 Session

- HB 622 transferred and statutorily appropriated money for use in predator control and for reimbursement of livestock owners for predatory loss.

2007 Session

- HB 364 created the livestock loss board and created the livestock loss reduction and mitigation accounts and trust fund

For more information, please visit the agency's website, here: <http://liv.mt.gov/default.mcp.x>